

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074
MINORITY (202) 225-6051
<https://oversight.house.gov>

April 26, 2023

Ms. Nancy Farias
Director
California Employment Development Department
Employment Development Department
800 Capitol Mall
Sacramento, CA 95814

Dear Director Farias,

The Committee on Oversight and Accountability is continuing its investigation into the state of California's unemployment insurance (UI) system. We write to follow up on your letters dated January 27, 2023¹ and February 17, 2023²—responding to our January 13, 2023,³ letter—which neglected to provide the Committee with requested documents and communications. We reiterate our request for documents and communications to assist the Committee in its investigation into the rampant fraud in California's UI system.

Subsequent to your January 27th letter, which did not include any documents or communications, Committee staff emailed you on February 6, 2023⁴, to inquire about the status of the documents and communications requested in the January 13th letter. You replied on February 8, 2023, and requested seven to ten days to provide a response.⁵ When asked by Committee staff if the second response would provide documents and communications responsive to the Committee's letter, you replied in the affirmative.⁶

On February 17, 2023, the Committee received your second letter characterized as offering additional documents and communications in response to the Committee's request.⁷ However, there were no documents or communications provided with the letter.⁸ Instead, the

¹ Letter from Director Nancy Farias, CA Employment Development Department, to Chairman James Comer, House Committee on Oversight and Accountability (Jan. 27, 2023).

² Letter from Director Nancy Farias, CA Employment Development Department, to Chairman James Comer, House Committee on Oversight and Accountability (Feb. 17, 2023).

³ Letter from Chairman James Comer, House Committee on Oversight and Accountability, to Director Nancy Farias, CA Employment Development Department (Jan. 13, 2023).

⁴ Email from Committee staff to Director Nancy Farias, CA Employment Development Department (Feb. 6, 2023).

⁵ Email from Director Nancy Farias, CA Employment Development Department, to Committee staff (Feb. 8, 2023).

⁶ Email from Director Nancy Farias, CA Employment Development Department, to Committee staff (Feb. 9, 2023).

⁷ *Supra*, n.2.

⁸ *Id.*

February 17th letter included hyperlinks to various press releases and reports.⁹ You further informed Committee staff via email that the two letters comprise the Employment Development Department's (EDD) complete response to the Committee's letter.¹⁰

Absent the production of responsive documents and communications, the Committee does not consider the EDD's response as complete. We are providing you with another opportunity to provide the Committee with responsive documents and communications to assist the Committee's investigation.

We therefore reiterate our five requests for documents and communications contained in our January 13th letter, covering the time period March 1, 2020 to the present, and reproduced below for your convenience, to be provided to the Committee as soon as possible but no later than May 10, 2023:

1. All processes and procedures related to the disbursement of unemployment insurance benefits during the pandemic, including policies and procedures intended to ensure payments are made to the proper individual, and to ensure that the individual is a qualified recipient of unemployment insurance;
2. All documents and communications between employees of the California EDD and employees of the U.S. Department of Labor regarding the state's UI benefit program;
3. All documents and communications related to efforts to prevent payment of fraudulent UI claims;
4. All documents and communications related to efforts to recoup UI claims paid improperly; and
5. All documents and communications related to identifying the total number of improperly paid UI benefits and documents sufficient to show whether those funds remain in the United States or were transferred to entities outside the United States.

To further assist you in providing the Committee with a complete response that includes fully responsive documents and communications, please see the attached instructions for producing the documents and information to the Committee.

To schedule the delivery of responsive documents or ask any follow-up or related questions, please contact Committee staff at (202) 225-5074. The Committee on Oversight and Accountability is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X.

⁹ *Id.*

¹⁰ Email from Director Nancy Farias, CA Employment Development Department, to Committee staff (Feb. 17, 2023).

Director Nancy Farias

April 26, 2023

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Sincerely,



James Comer
Chairman

Committee on Oversight & Accountability



Lisa McClain
Chairwoman

Subcommittee on Health Care and
Financial Services

cc: The Honorable Jamie Raskin, Ranking Member
Committee on Oversight & Accountability

The Honorable Katie Porter, Ranking Member
Subcommittee on Health Care and Financial Services